DSR TAIKO BERHAD

(Incorporated in Malaysia)
Registration No: 202101001462 (1401760-W)

FINANCIAL REPORT
for the financial year ended 30 June 2022

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(529,855)	(1,718,050)
Attributable to:-		
Owners of the Company	(413,740)	(1,718,050)
Non-controlling interests	(116,115)	-
	(529,855)	(1,718,050)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Ng Lian Poh
Ng Soh Kian
Chan Kwai Cheong (Appointed on 1.8.2021)
Tan Fie Ping (Appointed on 1.8.2021)

The name of director of the Company's subsidiary who served during the financial year until the date of this report, not including those directors mentioned above, is as follows:-

Chay Hong Choong

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and during the financial year are as follows:-

	<------------------ Number Of Ordinary Shares ---------------->			
	At 1.7.2021	Bought	Sold	At 30.6.2022
The Company				
Direct Interests				
Dato' Ng Lian Poh	111,050,010	-	-	111,050,010
Ng Soh Kian	111,050,010	-	-	111,050,010
Chan Kwai Cheong	5,000,000	-	-	5,000,000
Tan Fie Ping	835,000	-	-	835,000
Indirect Interests				
Dato Ng' Lian Poh*	3,500,000	-	-	3,500,000
Tan Fie Ping*	1,000,000	-	-	1,000,000

* Deemed interested through spouse's shareholding in the Company.

By virtue of their shareholdings in the Company, all the directors are deemed to have interests in shares in its subsidiaries during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the date of incorporation, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 27(b) to the financial statements.

Neither during nor at the end of the financial year was the Group and the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	**The Company** RM
Salaries, bonuses and other benefits	619,690	619,690
Defined contribution benefits	57,361	57,361
	677,051	677,051

INDEMINITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity issuance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The significant event subsequent to the financial year is disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM91,000 and RM25,000 respectively.

Signed in accordance with a resolution of the directors dated 31 October 2022.

Dato' Ng Lian Poh

Ng Soh Kian

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Ng Lian Poh and Ng Soh Kian, being two of the directors of DSR Taiko Berhad, state that, in the opinion of the directors, the financial statements set out on pages 13 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of its financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 31 October 2022

Dato' Ng Lian Poh **Ng Soh Kian**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Dato' Ng Lian Poh, being the director primarily responsible for the financial management of DSR Taiko Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Dato' Ng Lian Poh, NRIC: 670924-05-5339
at Kuala Lumpur
in the Federal Territory
on this 31 October 2022

Dato' Ng Lian Poh

Before me
Datin Hajah Raihela Wanchik
No. W-275
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of DSR Taiko Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 73.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Assessment on Going Concern</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>The financial statements of Group and the Company for the financial year ended 30 June 2022 have been prepared on a going concern basis, notwithstanding that the Group recorded a loss before tax of RM264,315 and a negative operating cashflow of RM2,017,864.

As disclosed in Note 3.2 to the financial statements, the above conditions were mitigated by the assessment the management has made on its working capital sufficiency and with the support of estimate of cash flows and financial forecasts ("forecasts") in the preparation of the Group and the Company financial statements.

Accordingly, the Directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group and the Company on the going concern basis is appropriate.

This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the going concern basis for the preparation of the financial statements of the Group and the Company.</td><td>Our audit procedures included, amongst others:

• Reviewed management's estimate of cash flows and financial forecasts ("forecasts") of the significant subsidiaries;
• Amongst the procedures on reviewing the forecasts ("forecast procedure") are as follows:
(1) Reviewed the key business drivers underpinning the forecast prepared.
(2) Evaluated the appropriateness and reasonableness of the key assumptions by comparing budget to recent performance, trend analysis, historical results and out understanding of the business; and
(3) Performed sensitivity analysis over the key assumptions to understand the impact of changes over the forecasts;
• Made inquiries of the management and reviewed events subsequent to the financial year end to evaluate any possible event which may affect the Group's ability to continue as a going concern;
• Reviewed whether there were any subsequent withdrawal of banking facilities from the financial institutions;
• Considered the following factors:
(1) The Group is in a net asset position; and
(2) The Group has positive equity attributable to the owners of the Company
• Reviewed the adequacy of the Groups' disclosures.</td></tr>
</table>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statement of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ung Voon Huay
03233/09/2024 J
Chartered Accountant

Kuala Lumpur

31 October 2022

DSR TAIKO BERHAD
(Incorporated in Malaysia)
Registration No: 202101001462 (1401760-W)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	22,000,000	22,210,000
Property, plant and equipment	6	59,131,769	33,581,404	7,160	-
Right-of-use assets	7	1,016,830	263,558	-	-
Amount owing by subsidiaries	8	-	-	-	13,924,572
Deferred tax assets	18	135,000	-	-	-
		60,283,599	33,844,962	22,007,160	36,134,572
CURRENT ASSETS					
Inventories	9	185,347	10,318	-	-
Biological assets	10	70,038	50,696	-	-
Trade receivables	11	1,859,180	5,560	-	-
Deposits and prepayments	12	996,033	1,754,800	268,392	-
Amount owing by subsidiaries	8	-	-	25,013,205	-
Amount owing by related parties	13	1,645,711	-	-	-
Current tax assets		-	9,006	7,500	-
Fixed deposits with a licensed bank	14	-	10,011,807	-	10,011,807
Cash and bank balances		892,587	3,874,465	81,190	3,316,589
		5,648,896	15,716,652	25,370,287	13,328,396
TOTAL ASSETS		65,932,495	49,561,614	47,377,447	49,462,968
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	49,461,420	49,461,420	49,461,420	49,461,420
Accumulated losses		(1,105,417)	(691,677)	(2,179,353)	(461,303)
Equity attributable to owners of the Company		48,356,003	48,769,743	47,282,067	49,000,117
Non-controlling interests	5	(84,022)	32,093	-	-
TOTAL EQUITY		48,271,981	48,801,836	47,282,067	49,000,117

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
	Note	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Lease liabilities	16	839,592	183,266	-	-
Term Loan	17	14,953,428	-	-	-
		15,793,020	183,266	-	-
CURRENT LIABILITIES					
Trade payables	19	615,047	9,454	-	-
Other payables and accruals	20	180,878	493,052	50,058	15,000
Amount owing to subsidiaries	8	-	-	45,322	447,851
Amount owing to related parties	13	45,093	-	-	
Current tax liabilities		139,860	-	-	-
Lease liabilities	16	223,745	74,006	-	-
Term Loan	17	662,871	-	-	-
		1,867,494	576,512	95,380	462,851
TOTAL LIABILITIES		17,660,514	759,778	95,380	462,851
TOTAL EQUITY AND LIABILITIES		65,932,495	49,561,614	47,377,447	49,462,968

DSR TAIKO BERHAD
(Incorporated in Malaysia)
Registration No: 202101001462 (1401760-W)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		The Group		The Company	
				1.7.2021 to 30.6.2022	13.1.2021 (Date of incorporation) to 30.6.2021
		2022	2021		
	Note	RM	RM	RM	RM
REVENUE	21	7,798,001	1,169,279	-	-
COST OF SALES		(3,945,527)	(516,317)	-	-
GROSS PROFIT		3,852,474	652,962	-	-
OTHER INCOME		125,241	64,503	39,989	11,807
		3,977,715	717,465	39,989	11,807
ADMINSTRATIVE EXPENSES		(3,424,640)	(1,080,653)	(1,544,027)	(473,110)
OTHER EXPENSES		(330,779)	(106,361)	(211,320)	-
FINANCE COSTS		(486,611)	(3,312)	-	-
LOSS BEFORE TAXATION	22	(264,315)	(472,861)	(1,715,358)	(461,303)
INCOME TAX EXPENSE	23	(265,540)	-	(2,692)	-
LOSS AFTER TAXATION		(529,855)	(472,861)	(1,718,050)	(461,303)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR/PERIOD		(529,855)	(472,861)	(1,718,050)	(461,303)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

		The Group		The Company	
				1.7.2021 to 30.6.2022	13.1.2021 (Date of incorporation) to 30.6.2021
	Note	2022 RM	2021 RM	RM	RM
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(413,740)	(414,954)	(1,718,050)	(461,303)
Non-controlling interests		(116,115)	(57,907)	-	-
		(529,855)	(472,861)	(1,718,050)	(461,303)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-					
Owners of the Company		(413,740)	(414,954)	(1,718,050)	(461,303)
Non-controlling interests		(116,115)	(57,907)	-	-
		(529,855)	(472,861)	(1,718,050)	(461,303)
LOSS PER SHARE (SEN)	24				
- Basic		(0.13)	(0.13)		
- Diluted		(0.13)	(0.13)		

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The Group	Note	Share Capital RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1.7.2020		370,000	(276,723)	93,277	-	93,277
Contributions by and distributions to owners of the Company:						
– Issuance of new shares	15	71,391,420	-	71,391,420	-	71,391,420
– Adjustment and effect of acquisition of common control subsidiaries		(22,300,000)	-	(22,300,000)	90,000	(22,210,000)
Total transactions with owners		49,091,420	-	49,091,420	90,000	49,181,420
Loss after taxation/Total comprehensive expenses for the financial year		-	(414,954)	(414,954)	(57,907)	(472,861)
Balance at 30.6.2021/1.7.2021		49,461,420	(691,677)	48,769,743	32,093	48,801,836
Loss after taxation/Total comprehensive expenses for the financial year		-	(413,740)	(413,740)	(116,115)	(529,855)
Balance at 30.6.2022		49,461,420	(1,105,417)	48,356,003	(84,022)	48,271,981

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
At 13.1.2021 (Date of incorporation)		20	-	20
Loss for the financial period/Total comprehensive expenses for the financial period		-	(461,303)	(461,303)
Contributions by owners of the Company – Issuance of shares	15	49,461,400	-	49,461,400
Balance at 30.6.2021/1.7.2021		49,461,420	(461,303)	49,000,117
Loss for the financial year/Total comprehensive expenses for the financial year		-	(1,718,050)	(1,718,050)
Balance at 30.6.2022		49,461,420	(2,179,353)	47,282,067

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Group		The Company	
	2022 RM	**2021** RM	**1.7.2021 to 30.6.2022** RM	**13.1.2021 (Date of incorporation) to 30.6.2021** RM
CASH FLOWS FOR OPERATING ACTIVITIES				
Loss before taxation	(264,315)	(472,861)	(1,715,358)	(461,303)
Adjustments for:-				
Depreciation of property, plant and equipment	444,683	81,226	1,320	-
Depreciation of right-of-use assets	216,343	54,070	-	-
Net fair value gain on biological assets	(19,342)	(50,696)	-	-
Interest expense on lease liabilities	57,227	6,138	-	-
Interest expense on term loans	429,384	-	-	-
Interest income	(39,989)	(11,807)	(39,989)	(11,807)
Impairment loss on investment in subsidiary	-	-	210,000	-
Operating profit/ (loss) before working capital changes	823,991	(393,930)	(1,544,027)	(473,110)
Increase in inventories	(175,029)	(10,318)	-	-
Increase in trade receivables, deposits and prepayments	(1,094,853)	(169,854)	(268,392)	-
Increase in trade and other payables	293,419	27,809	35,058	15,000
Increase in amount owing by related parties	(1,613,718)	-	-	-
CASH FOR OPERATING ACTIVITIES	(1,766,190)	(546,293)	(1,777,361)	(458,110)
Income tax paid	(251,674)	(9,006)	(10,192)	-
NET CASH FOR OPERATING ACTIVITIES	(2,017,864)	(555,299)	(1,787,553)	(458,110)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	Note	The Group 2022 RM	The Group 2021 RM	The Company 1.7.2021 to 30.6.2022 RM	The Company 13.1.2021 (Date of incorporation) to 30.6.2021 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to a subsidiary		-	-	(11,491,162)	(12,424,572)
Purchase of property, plant and equipment	25(a)	(25,995,048)	(11,568,954)	(8,480)	-
Addition to right-of-use assets	25(a)	-	(10,000)	-	-
Interest received		39,989	11,807	39,989	11,807
NET CASH FOR INVESTING ACTIVITIES		(25,955,059)	(11,567,147)	(11,459,653)	(12,412,765)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital		-	26,051,420	-	25,751,420
Advances from a related company		-	-	-	447,851
Advances from a related party		13,100	-	-	-
Interest paid	25(b)	(486,611)	(6,138)	-	-
Repayment of lease liabilities	25(b)	(163,550)	(51,230)	-	-
Net proceeds from term loan		15,616,299	-	-	-
NET CASH FROM FINANCING ACTIVITIES		14,979,238	25,994,052	-	26,199,271
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(12,993,685)	13,871,606	(13,247,206)	13,328,396
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		13,886,272	14,666	13,328,396	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	25(c)	892,587	13,886,272	81,190	13,328,396

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	No. 6-1, Jalan Eco Santuari 8/2A, Eco Santuari, 42500 Telok Panglima Garang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 October 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3 BASIS OF ACCOUNTING

3.1 BASIS OF PREPARATION

During the current financial year, the Group has adopted the following new accounting The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.1 BASIS OF PREPARATION (CONT'D)

3.1.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

3. BASIS OF PREPARATION (CONT'D)

3.2 GOING CONCERN

During the current financial year, the Group incurred a net loss of RM529,855 and net operating cash outflow of RM2,017,864. The Group's loss after taxation and net operating cash outflows for the financial year were largely due to:

(a) The Group's had sucessfully listed on the Leading Entrepreneur Accelerator Platform ("LEAP") Market of Bursa Malaysia Securities Berhad on 6 July 2022 and listing expenses incurred during the financial year amounted to RM732,706. The Group would have a normalised profit of RM202,851 excluding the listing expenses.

(b) The retail and manufacturing segment had recorded a loss of RM387,051 during the financial year ended 30 June 2022. This was mainly due to the retail business being affected by the continuing effects of the various restrictions imposed by the Government of Malaysia and international travel restrictions in order to curb the spread of Coronavirus disease (COVID-19).

In the preparation of the Group financial statements, the management has made an assessment on its working capital sufficiency and with the support of a cashflow projection. The management has concluded that the Group and the Company shall have sufficient working capital to finance their operations and to meet their financial obligations as and when they fall due.

As at the end of the reporting period and as at the date these financial statements were authorised for issue, the directors believe that no material uncertainty exists over the ability of the Group and the Company to continue on a going concern basis. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue as a going concern.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(b) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment and right-of-use assets as at the reporting period are disclosed in Notes 6 and 7 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales including changes in the customer payment profile in response to the COVID-19 pandemic and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting period. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of amounts owing by subsidiaries as at the reporting period is disclosed in Note 8 to the financial statements.

(f) Fair value of Biological Assets

The fair value is estimated by the management based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated selling price of the produce growing on bearer plants.

While significant components of fair value measurement were determined using verifiable objective evidence, significant changes in the market demand, economic and global political situation affecting the assumptions would change the fair value. Any changes in fair value of biological assets would affect profit and/or equity.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Under the merger method of accounting, the result of the subsidiary is presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of common control shareholder at the date of the transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and the parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries treated as a merger deficit or merger reserve as applicable. The merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statues do not prohibit the use of such reserves.

(b) Non-controlling interest

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group. No gain or loss is recognised on the change.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognised any gain or loss in profit or loss which is calculated as the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date of disposal.

If the Group retains any interest in the former subsidiary, that investment is accounted for as a financial asset from the date the entity ceases to be a subsidiary, provided that it does not become an associate. The carrying amount on that date is regarded as the cost of the initial measurement of the financial asset.

4.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements of the Group are presented in the currency of the primary economic environment in which the Company operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirely at either amortised cost of fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability, or a shorter period (where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation.

Freehold land is revalued periodically, at least once in every three years. Surplus arising from the revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficit arising from the revaluation, to the extent that it is not supported by any previous revaluation surplus, is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Bearer plants	50 years
Durian orchard facilities	10%
Equipment	20%
Furniture and fittings	20%
Kitchen equipment	20%
Office equipment	20%
Renovation	20%
Motor vehicles	20%

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.7 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.8 BIOLOGICAL ASSETS

Biological assets consist of produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gain or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

To arrive at the fair value, management has considered the maturity of the ripe fruits as at year end that are ready to harvest. Therefore, quantity of fruits growing on bearer plants of up to 3 days prior to harvest was used for valuation purpose.

Biological assets are classified as current assets for bearer plants that are expected to be harvested on a date not more than 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognized. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.12 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.15 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.16 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Sale of Goods

Revenue from sale of good is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.18 OTHER OPERATING INCOME

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	**2021**
	RM	RM
Unquoted shares, at cost	22,210,000	22,210,000
Less: Accumulated impairment losses	(210,000)	-
	22,000,000	22,210,000

	The Company	
	2022	**2021**
	RM	RM
Impairment loss on investments in subsidiaries:		
At 1 July	-	-
Addition	(210,000)	-
At 30 June	(210,000)	-

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 30.6.2022	30.6.2021 %	Principal Activities
DSR Fruits Sdn. Bhd.	Malaysia	100	100	To involve in cultivation, harvesting of fruits and retail sales of fruits.
DSR Daily Fresh Sdn. Bhd.	Malaysia	70	70	To operate specialty cafe or restaurants selling durian related meals, beverages, desserts and local authentic food and sell fresh durians, local fruits and produce.

During the financial year, the Company carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM210,000 (2021 - Nil), representing the write-down of the investments to their recoverable amounts, was recognised in “Other Expenses” line item of the statement of profit or loss and other comprehensive income.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The non-controlling interests at the end of the reporting period comprised the following:-

	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	The Group 2022 RM	The Group 2021 RM
DSR Daily Fresh Sdn. Bhd. ("DSR Daily Fresh")	30	30	(84,022)	32,093

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	DSR Daily Fresh 2022 RM	DSR Daily Fresh 2021 RM
At 30 June		
Non-current assets	2,009,968	460,063
Current assets	2,455,590	343,822
Non-current liabilities	(4,427,652)	(633,398)
Current liabilities	(317,979)	(63,509)
Net assets	(280,073)	106,978
Financial Year Ended 30 June		
Revenue	3,989,692	35,563
Loss for the financial year	(387,051)	(193,022)
Total comprehensive expenses	(387,051)	(193,022)
Total comprehensive expenses attributable to non-controlling interests	(116,115)	(57,907)
Net cash flows for operating activities	(2,125,456)	(238,127)
Net cash flows for investing activities	(796,785)	(308,881)
Net cash flows from financing activities	2,985,838	790,760

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
2022				
Carrying amount				
Freehold land	15,504,023	7,301,914	-	22,805,937
Bearer plants (Mature)	9,311,873	16,506,998	(167,175)	25,651,696
Bearer plants (Immature)	8,111,750	482,020	-	8,593,770
Durian Orchard Facilities (Completed)	-	536,565	(29,997)	506,568
Durian Orchard Facilities (Work in progress)	-	221,660	-	221,660
Equipment	19,660	33,496	(10,609)	42,547
Furniture and fittings	50,148	79,806	(19,233)	110,721
Kitchen equipment	82,484	319,185	(42,552)	359,117
Office equipment	92,386	148,003	(41,125)	199,264
Renovation	267,783	362,401	(104,203)	525,981
Motor vehicles	141,297	3,000	(29,789)	114,508
	33,581,404	25,995,048	(444,683)	59,131,769

The Group	At 1.7.2020 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2021 RM
2021				
Carrying amount				
Freehold land	-	15,504,023	-	15,504,023
Bearer plants (Mature)	-	9,332,000	(20,127)	9,311,873
Bearer plants (Immature)	-	8,111,750	-	8,111,750
Equipment	17,799	7,175	(5,314)	19,660
Furniture and fittings	11,069	44,132	(5,053)	50,148
Kitchen equipment	-	85,454	(2,970)	82,484
Office equipment	21,954	82,634	(12,202)	92,386
Renovation	28,564	268,628	(29,409)	267,783
Motor vehicles	-	147,448	(6,151)	141,297
	79,386	33,583,244	(81,226)	33,581,404

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2022			
Freehold land	22,805,937	-	22,805,937
Bearer plants (Mature)	25,838,998	(187,302)	25,651,696
Bearer plants (Immature)	8,593,770	-	8,593,770
Durian Orchard Facilities (Completed)	536,565	(29,997)	506,568
Durian Orchard Facilities (Work-in-progress)	221,660	-	221,660
Equipment	65,976	(23,429)	42,547
Furniture and fittings	136,762	(26,041)	110,721
Kitchen equipment	404,639	(45,522)	359,117
Office equipment	260,029	(60,765)	199,264
Renovation	677,011	(151,030)	525,981
Motor vehicles	150,448	(35,940)	114,508
	59,691,795	(560,026)	59,131,769

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2021			
Freehold land	15,504,023	-	15,504,023
Bearer plants (Mature)	9,332,000	(20,127)	9,311,873
Bearer plants (Immature)	8,111,750	-	8,111,750
Equipment	32,480	(12,820)	19,660
Furniture and fittings	56,956	(6,808)	50,148
Kitchen equipment	85,454	(2,970)	82,484
Office equipment	112,026	(19,640)	92,386
Renovation	314,610	(46,827)	267,783
Motor vehicles	147,448	(6,151)	141,297
	33,696,747	(115,343)	33,581,404

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
The Company				
2022				
Carrying amount				
Office equipment	-	8,480	(1,320)	7,160
	-	8,480	(1,320)	7,160

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
2022			
Office equipment	8,480	(1,320)	7,160
	8,480	(1,320)	7,160

(a) Freehold land and bearer plants of the Group with a total net book value of RM28,350,035 (2021 : nil) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 17(a) to the financial statements.

7. RIGHT-OF-USE ASSETS

	At 1.7.2021 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2022 RM
The Group				
2022				
Shop lots	161,484	923,882	(163,072)	922,294
Motor vehicles	59,850	-	(12,600)	47,250
Shop offices	42,224	45,733	(40,671)	47,286
	263,558	969,615	(216,343)	1,016,830

7. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.7.2020 RM	Additions (Note 25(a)) RM	Depreciation Charges (Note 22) RM	At 30.6.2021 RM
2021				
Shop lots	22,408	170,292	(31,216)	161,484
Motor vehicles	-	63,000	(3,150)	59,850
Shop offices	-	61,928	(19,704)	42,224
	22,408	295,220	(54,070)	263,558

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2022			
Shop lots	1,094,174	(171,880)	922,294
Motor vehicles	63,000	(15,750)	47,250
Shop offices	107,661	(60,375)	47,286
	1,264,835	(248,005)	1,016,830
2021			
Shop lots	215,108	(53,624)	161,484
Motor vehicles	63,000	(3,150)	59,850
Shop offices	61,928	(19,704)	42,224
	340,036	(76,478)	263,558

The Group leases buildings and motor vehicles of which the leasing activities are summarised below:-

(i) Shop lots — The Group has leased a number of shop lots that run between 2 and 3 (2021 – 2 and 3) years, with an option to renew the lease after those dates.

(ii) Motor vehicles — The Group leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

(iii) Shop offices — The Group has leased a number of shop offices that run for 2 years, with no renewal option for the leases after those dates.

8. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	2022	**2021**
	RM	RM
Amount Owing by Subsidiaries		
Non-current		
Non-trade balance	-	13,924,572
Current		
Non-trade balance	25,013,205	-
	25,013,205	13,924,572
Amount Owing to Subsidiaries		
Current		
Non-trade balance	(45,322)	(447,851)

(a) The non-trade balance represents unsecured advances which is repayable in 2023. The amount owing is to be settled in cash.

(b) The non-trade balance (current) represents unsecured payments made on behalf. The amount owing is repayable on demand is to be settled in cash.

9. INVENTORIES

	The Group	
	2022	**2021**
	RM	RM
Finished goods	185,347	10,318
Recognised in profit or loss:-		
Inventories recognised as cost of sales	2,758,284	60,589

10. BIOLOGICAL ASSETS

	The Group	
	2022	**2021**
	RM	RM
Durian fruits	70,038	50,696

The changes in the carrying amount of biological assets owned by the Group was due to:-

	The Group	
	2022	**2021**
	RM	RM
At 1 July	50,696	-
Fair value measurement	19,342	50,696
At 30 June	70,038	50,696
Fair value gain on biological assets to profit or loss	19,342	50,696

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy.

11. TRADE RECEIVABLES

The Group's normal trade credit terms range from cash terms to 90 (2021 – cash terms to 90) days.

12. DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	RM	RM	RM
Deposits	620,573	1,666,632	268,392	-
Prepayments	375,460	88,168	-	-
	996,033	1,754,800	268,392	-

13. AMOUNTS OWING BY/(TO) RELATED PARTIES

	The Group	
	2022	**2021**
	RM	RM
Amount Owing by Related Parties		
Trade balance	1,645,711	-
Amount Owing to Related Parties		
Trade balance	(31,993)	-
Non-trade balance	(13,100)	-
	(45,093)	-

The trade balances are subject to the trade credit terms of 30 to 90 days.

The non-trade balance is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

14. FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits with a licensed bank of the Group and of the Company at the end of the reporting period bore effective interest rates ranging of 1.35% (2021 - 1.35%) per annum. The fixed deposits have maturity period of 1 month for the Group and the Company.

15. SHARE CAPITAL

	The Group/The Company			
	2022	**2021**	**2022**	**2021**
	Number Of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary shares				
At 1 July	312,938,020	20	49,461,420	20
Issuance of ordinary shares for:				
- purchase of plantation	-	5,000,000	-	5,000,000
- effect of acquisition of common control	-	222,100,000	-	222,100,000
- cash subscription by Pre-IPO investors	-	85,838,000	-	25,751,400
At 30 June	312,938,020	312,938,020	49,461,420	49,461,420

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

16. LEASE LIABILITIES

	The Group	
	2022	**2021**
	RM	RM
At 1 July	257,272	23,282
Additions	969,615	285,220
Interest expense recognised in profit or loss (Note 22)	57,227	6,138
Repayment of principal	(163,550)	(51,230)
Repayment of interest expense	(57,227)	(6,138)
At 30 June	1,063,337	257,272
Analysed by:-		
Current liabilities	223,745	74,006
Non-current liabilities	839,592	183,266
	1,063,337	257,272

17. TERM LOANS (SECURED)

	The Group	
	2022	**2021**
	RM	RM
At 1 July	-	-
Additions	15,880,000	-
Interest expense recognised in profit or loss (Note 22)	429,384	-
Repayment of principal	(263,701)	-
Repayment of interest expense	(429,384)	-
At 30 June	15,616,299	-

	The Group	
	2022	**2021**
	RM	RM
Current Liabilities	662,871	-
Non-current Liabilities	14,953,428	-
	15,616,299	-

The term loans are secured by:-

(a) a first party legal charge over the Group's freehold land and bearer plants as disclosed in Note 6(a) to the financial statements; and
(b) Joint and several guarantees by the directors of the Company.

The term loans of the Group at the end of the reporting period bore an effective interest rate of 6.50% - 6.60% per annum.

18. DEFERRED TAX ASSETS

	The Group 2022 RM	2021 RM
At 1 July	-	-
Recognised in profit or loss (Note 23)	135,000	-
At 30 June	135,000	-

Movement in deferred tax assets/(liabilities)

	At 1.7.2021 RM	Recognised in Profit or Loss (Note 23) RM	At 30.6.2022 RM
The Group			
2022			
Deferred Tax Liabilities			
Property, plant and equipment	-	(73,604)	(73,604)
Deferred Tax Assets			
Unutilised business losses	-	109,822	109,822
Unabsorbed capital allowances	-	98,782	98,782
	-	208,604	208,604
	-	135,000	135,000

19. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2021: 30 to 90) days.

20. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	RM	RM	RM
Other payables:-				
Third parties	71,878	1,210	20,058	-
Accruals	109,000	491,842	30,000	15,000
	180,878	493,052	50,058	15,000

21. REVENUE

	The Group	
	2022	**2021**
	RM	RM
<u>Recognised at a point in time</u>		
Sales of goods	7,450,648	1,154,769
Sales of food and beverages	347,353	14,510
	7,798,001	1,169,279

22. LOSS BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	1.7.2021 to 30.6.2022 RM	13.1.2021 (Date of incorporation) to 30.6.2021 RM
Loss for the financial year/period arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	91,000	35,000	25,000	15,000
- under provision in previous financial year	20,000	-	-	-
Depreciation:				
- property, plant and equipment (Note 6)	444,683	81,226	1,320	-
- right-of-use assets (Note 7)	216,343	54,070	-	-
Interest expense on lease liabilities (Note 16)	57,227	6,138	-	-
Interest expense on term loans (Note 17)	429,384	-	-	-
Impairment loss on investment in subsidiaries (Note 5)	-	-	210,000	-
Lease expenses on:				
- short term leases	-	5,000	-	-
- low-value assets	-	260	-	-
Staff costs (including other key management personnel as disclosed in Note 26):				
- salaries, wages, bonuses and allowances	976,581	366,426	-	-
- defined contribution plan	75,287	39,162	-	-
- others	42,775	4,296	-	-
Listing expenses	732,706	447,851	732,706	447,851
Interest income on fixed deposits with a licensed bank	(41,950)	(11,807)	(39,984)	(11,807)
Net fair value gain on biological assets	(19,342)	(50,696)	-	-

23. INCOME TAX EXPENSE

	The Group		**The Company**	
	2022	**2021**	**1.7.2021 to 30.6.2022**	**13.1.2021 to (Date of incorporation) 30.6.2021**
	RM	RM	RM	RM
Income tax:				
- for the financial year	397,848	-	-	-
- underprovision in the previous financial year	2,692	-	2,692	-
	400,540	-	2,692	-
Deferred tax (Note 18):				
- origination and reversal of temporary differences	(135,000)	-	-	-
	(135,000)	-	-	-
	265,540	-	2,692	-

23. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the loss for the financial year at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2022 RM	**2021** RM	**1.7.2021 to 30.6.2022** RM	**13.1.2021 to (Date of incorporation) 30.6.2021** RM
Loss for the financial year/period	(264,315)	(472,861)	(1,715,358)	(461,303)
Tax at the statutory tax rate of 24% (2021 – 24%)	(63,436)	(113,487)	(411,686)	(110,713)
Tax effects of:-				
Non-deductible expenses	191,639	148,923	183,326	110,713
Non-taxable income	(26,571)	(12,647)	-	-
Deferred tax assets not recognised during the financial year	177,960	16,744	228,360	-
Utilisation of deferred tax assets previously not recognised	(16,744)	-	-	-
Underprovision of current tax in the previous financial year	2,692	-	2,692	-
	265,540	-	2,692	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

23. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the loss for the financial year at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:- (Cont'd)

Deferred tax assets not recognised by the Group in respect of the following items:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	RM	RM	RM
Unabsorbed capital allowance	2,544	58,074	2,544	-
Unused tax losses	740,182	61,704	740,182	-
Others	-	(50,011)	210,000	-
Property, plant and equipment	(1,224)	-	(1,224)	-
	741,502	69,767	951,502	-

24. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing loss for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial year. The following reflect the loss and share data used in the computation of basic loss per share for the financial years ended 30 June 2022 and 2021:

	The Group	
	2022	**2021**
Loss attributable to equity holders of the parent (RM)	(413,740)	(414,954)
Number of ordinary shares	312,938,020	312,938,020
Basic loss per shares for the financial year (sen)	(0.13)	(0.13)

(b) Diluted

The Group has no potential ordinary shares in issue as at reporting date. Therefore, diluted loss per share is the same as basic loss per share.

25. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2022	**2021**
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	25,995,048	33,583,244
Less: Issuance of new shares	-	(21,557,448)
Less: Accrual - amounts not yet due for payment	-	(456,842)
	25,995,048	11,568,954
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	969,615	295,220
Less: Additions of new lease liabilities (Note 25(b))	(969,615)	(285,220)
	-	10,000

(b) The reconciliations of liabilities arising from financing activities are as follow:-

The Group	Lease Liabilities RM	Term Loans RM	Total RM
2022			
At 1 July 2021	257,272	-	257,272
Changes in Financing Cash Flows			
Proceeds from drawdown	-	15,880,000	15,880,000
Repayment of principal	(163,550)	(263,701)	(427,251)
Repayment of interest	(57,227)	(429,384)	(486,611)
	(220,777)	15,186,915	14,966,138
Other Changes			
Acquisition of new leases (Notes 16 and 25(a))	969,615	-	969,615
Interest expense recognised in profit or loss (Notes 16, 17 and 22)	57,227	429,384	486,611
	1,026,842	429,384	1,456,226
At 30 June 2022	1,063,337	15,616,299	16,679,636

25. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follow:- (Cont'd)

The Group	Lease Liabilities RM
2021	
At 1 July 2020	23,282
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(51,230)
Repayment of interest	(6,138)
	(57,368)
<u>Other Changes</u>	
Acquisition of new leases (Notes 16 and 25(a))	285,220
Interest expense recognised in profit or loss (Note 16 and 22)	6,138
	291,358
At 30 June 2021	257,272

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022 RM	**2021** RM	**2022** RM	**2021** RM
Fixed deposits with a licensed bank	-	10,011,807	-	10,011,807
Cash and bank balances	892,587	3,874,465	81,190	3,316,589
	892,587	13,886,272	81,190	13,328,396

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:

	The Group		The Company	
	2022 RM	**2021** RM	**2022** RM	**2021** RM
Directors of the Group				
Short-term employee benefits:				
– salaries, bonuses and other benefits	619,690	-	619,690	-
Defined contribution benefits	57,361	-	57,361	-
	677,051	-	677,051	-

	The Group		The Company	
	2022 RM	**2021** RM	**2022** RM	**2021** RM
Other Key Management Personnel				
Short-term employee benefits:				
– salaries, bonuses and other benefits	419,100	229,300	-	-
Defined contribution benefits	49,725	27,156	-	-
	468,825	256,456	-	-

27. RELATED PARTY TRANSACTIONS

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, shareholders, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2022	**2021**
	RM	RM
Transaction with holding company:		
– Sales of goods	(2,120)	-
Transaction with a related company:		
– Sales of goods	(2,316,384)	(25,729)
– Purchase of goods	2,316,384	25,729
Transaction with a corporate shareholder:		
– Purchase of assets	32,214	20,935
– Purchase of goods	456,362	13,580
– Sales of goods	(3,327,228)	-
Transaction with directors of the Group:		
– Purchase of durian orchards	-	31,828,000
– Purchase of goods	-	17,025

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

28. OPERATING SEGMENTS

28.1 BUSINESS SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main reportable segments as follows:-

(i) Plantation segment - involving in cultivation and harvesting of DSR durians;

(ii) Retail and manufacturing segment - retailing of fresh durians and the development, production and distribution of durian-based products.

	Plantation Segment RM	Retail and Manufacturing Segment RM	The Group RM
2022			
Revenue			
External revenue	6,123,095	3,989,692	10,112,787
Adjustments/eliminations on combination			(2,314,786)
Combined revenue			7,798,001
Results			
Segment profit/(loss)	1,365,246	(387,051)	978,195
Finance costs			(486,611)
Unallocated expenses			(755,899)
Combined loss before taxation			(264,315)
Segment profit/(loss) includes the following:-			
Depreciation	353,944	305,762	659,706
Interest expense	436,361	50,250	486,611
Fair value gain on biological assets	(19,342)	-	(19,342)

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	The Group RM
2022			
Assets			
Segment assets	61,286,545	4,369,558	65,656,103
Unallocated assets			47,369,947
Adjustments/eliminations on combination			(47,093,555)
Combined total assets			65,932,495
Additions to non-current assets other than financial instruments:			
- property, plant and equipment	25,189,783	796,785	25,986,568
- right-of-use assets	45,733	923,882	969,615
Liabilities			
Segment liabilities	38,016,558	4,649,631	42,666,189
Unallocated liabilities			87,880
Adjustments/eliminations on combination			(25,093,555)
Combined total liabilities			17,660,514

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	The Group RM
2021			
Revenue			
External revenue	1,159,445	35,563	1,195,008
Adjustments/eliminations on combination			(25,729)
Combined revenue			1,169,279
Results			
Segment profit/(loss)	184,776	(193,022)	(8,246)
Finance costs			(3,312)
Unallocated expenses			(461,303)
Combined loss before taxation			(472,861)
Segment profit/(loss) includes the followings:-			
Depreciation	116,186	19,110	135,296
Interest expense	3,312	2,826	6,138
Fair value gain on biological assets	(50,696)	-	(50,696)

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Plantation Segment RM	Retail and Manufacturing Segment RM	The Group RM
2021			
Assets			
Segment assets	35,893,907	803,885	36,697,792
Unallocated assets			49,471,974
Adjustments/eliminations on combination			(36,608,152)
Combined total assets			49,561,614
Additions to non-current assets other than financial instruments:			
- property, plant and equipment	33,282,825	298,579	33,581,404
- right-of-use assets	102,074	161,484	263,558
Liabilities			
Segment liabilities	13,998,172	696,907	14,695,079
Unallocated liabilities			462,851
Adjustments/eliminations on combination			(14,398,152)
Combined total liabilities			759,778

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of investment in subsidiaries and related expenses, corporate assets and head office expenses (primarily listing expenses).

28. OPERATING SEGMENTS (CONT'D)

28.2 GEOGRAPHICAL INFORMATION

The Group operates in Malaysia. Accordingly, the information by geographical segment is not presented.

28.3 MAJOR CUSTOMERS

The following major customer with revenue equal to or more than 10% of the Group total revenue:

	2022 RM	**2021** RM	**Segment**
Customer A	3,279,377	#	Retail and Manufacturing

\# There were no single customer that contributed 10% or more to the Group's revenue in the previous financial year.

29. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

28.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 1 customer which constituted approximately 47% of its trade receivables (including related parties) at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivable and Amount Owing by A Related Company (Trade Balance)

The Group applies the simplified approach to measure expected credit losses which using a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables (including related company) have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any trade receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired.

During the current financial year, the Group has changed its risk management practices in response to the COVID-19 pandemic. The expected loss rates are based on the payment profiles of sales over a period from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 for trade receivables is summarised below:-

The Group	Gross Amount RM	Collective Impairment RM	Carrying Amount RM
2022			
Current (not past due)	1,859,180	-	1,859,180
2021			
Current (not past due)	5,560	-	5,560

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by subsidiaries are summarised below:-

	Gross Amount RM	Collective Allowance RM	Carrying Amount RM
The Company			
2022			
Low credit risk	25,013,205	-	25,013,205
2021			
Low credit risk	13,924,572	-	13,924,572

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2022					
Non-derivative Financial Liabilities					
Lease liabilities	6.14 – 6.73	1,063,337	1,217,222	303,473	913,749
Term loans	6.53	15,616,299	24,257,925	1,663,401	22,594,524
Trade payables	-	615,047	615,047	615,047	-
Other payables and accruals	-	180,878	180,878	180,878	-
Amount owing to related parties	-	45,093	45,093	45,093	-
		17,520,654	26,316,165	2,807,892	23,508,273

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2021					
Non-derivative Financial Liabilities					
Lease liabilities	6.73	257,272	295,538	89,113	206,425
Trade payables	-	9,454	9,454	9,454	-
Other payables and accruals	-	493,052	493,052	493,052	-
		759,778	798,044	591,619	206,425

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2022				
Non-derivative Financial Liabilities				
Other payables and accruals	-	50,058	50,058	50,058
Amount owing to subsidiaries	-	45,322	45,322	45,322
		95,380	95,380	95,380

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2021				
Non-derivative Financial Liabilities				
Amount owing to a subsidiary	-	447,851	447,851	447,851
		447,851	447,851	447,851

29.2 CAPITAL RISK MANAGEMENT

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to equity ratio of the Group at the end of the reporting period was as follows:

	The Group	
	2022 RM	**2021** RM
Term loans	15,616,299	-
Lease liabilities	1,063,337	257,272
	16,679,636	257,272
Less: Cash and cash equivalents (Note 25(c))	(892,587)	(3,874,465)
Net debts	15,787,049	1,169,279
Total equity	48,271,981	48,801,836
Debt-to-equity ratio	0.33	0.02

29.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM	**2021** RM	**2022** RM	**2021** RM
Financial Assets				
Amortised Cost				
Amount owing by subsidiaries (Note 8)	-	-	25,013,205	13,924,572
Trade receivables (Note 11)	1,859,180	5,560	-	-
Amount owing by related parties (Note 13)	1,645,711	-	-	-
Fixed deposits with a licensed bank (Note 14)	-	10,011,807	-	10,011,807
Cash and bank balances	892,587	3,874,465	81,190	3,316,589
	4,397,478	13,891,832	25,094,395	27,252,968

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Liabilities				
Amortised Cost				
Lease liabilities (Note 16)	1,063,337	257,272	-	-
Term loans (Note 17)	15,616,299	-	-	-
Trade payables (Note 19)	615,047	9,454	-	-
Other payables and accruals (Note 20)	180,878	493,052	50,058	15,000
Amount owing to subsidiaries (Note 8)	-	-	45,322	447,851
	17,475,561	759,778	95,380	462,851

29.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that is maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

30. CAPITAL COMMITMENT

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:				
- approved and contracted for	59,750	12,525,288	-	-

31. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 6 July 2022, the entire issued share capital of the Company was listed on the Leading Entrepreneur Accelerator Platform ("LEAP") Market of Bursa Malaysia Securities Berhad.